

**TARGETED CASE MANAGEMENT (TCM)
COST REPORT INSTRUCTIONS**

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TCM Cost Report Overview

New TCM Cost Report Format

In an effort to expedite the TCM cost report approval process, a standardized format has been created by the Department of Health Services (DHS) and select members of the Local Governmental Agency (LGA) Consortium. The new TCM cost report format will be mandatory for all LGAs to use. Any reports not received in this format will be returned.

Any deviation from these instructions must be approved by DHS. Include all explanations and justifications of any deviation in the LGA cover letter. Provide descriptions within the worksheets to aid locating data in supporting documentation as described in the helpful hints.

Annual Cost Report

Pursuant to Welfare and Institutions (W&I) Code, Section 14132.44, each TCM provider of service must compete and submit to DHS a cost report on prior fiscal year (ending June 30) for each local program providing TCM services. The cost report must be prepared in a format specified by DHS and submitted by November 1 of each year. Only one cost report is submitted for TCM services provided to target populations specified in the California Code of Regulations (CCR), Section 51271(b)(1), (2), (3), (4) or (5). The six program areas are Adult Probation, Community, Linkages/Aging, Outpatient Clinics, Public Guardian, and Public Health.

The cost report certifies:

- The availability and expenditure of 100% of the nonfederal share of the cost of providing TCM services from the providers' "Certified Public Expenditure" (CPE) approved source.
- The total allowable cost of all TCM services.
- TCM program expenditures represent costs that are eligible for federal financial participation.
- The costs reflected in the annual cost reports used to determine targeted case management rates are developed pursuant to W&I Code Section 14132.44(f)(1)(D).
- TCM services provided pursuant to W&I Code, Section 14132.44, do not duplicate services provided under any other home and community-based services waiver.

- Claims for the same services have not been made by public agencies or private entities under other program authorities.
- That the provider has complied with all the requirements of CCR Section 51271.

The net TCM Costs in the cost report reflects only the allowable direct and indirect costs of providing TCM services as delineated in OMB Circular A-87. A certification statement, signed by the TCM coordinator or his/her designee, must accompany the cost report and attest to the validity and allowability of the cost data.

Allowable costs include, but are not limited to:

- Salaries and benefits
- Services and supplies, including costs of contracted TCM services.
- Operating expenses, including leases, bond servicing costs, and county/city wide overhead costs as reflected in the approved cost allocation plan.
- Amortized capital expenditures.
- Documented cost increases, such as contractual increases for salaries, benefits or operating costs.
- Cost of Living Allowances (COLAs) occurring in the reporting period

Unallowable costs include, but are not limited to:

- Interest payments
- Malpractice insurance
- Medical equipment
- Equipment used for medical treatment
- Drugs and medications
- Lab equipment
- Fund raising

Unallowable costs are classified as Non-TCM costs in the report.

The information in the cost report is used to determine the annual, program-specific, per encounter rate for the current fiscal year using actual allowable costs and encounter data from the prior fiscal year. The DHS will provide timely review of the cost report and will return an unaccepted cost report to the submitting LGA, indicating the reasons for the denial.

Reimbursement Methodology

LGAs are reimbursed the federal share of cost for providing TCM services to Medicaid-eligible persons based upon the actual allowable costs of providing TCM services. An annual, program-specific, per-encounter rate is developed for each program providing services to Medicaid-eligible person who meet the target population criteria.

The actual allowable cost and encounter data from the prior fiscal year established the per-encounter rate for the current fiscal year. The rate is calculated by dividing the prior fiscal year costs of providing TCM services by the total number of encounter (Medi-Cal and non-Medi-Cal) in that fiscal year. LGAs may only claim the federal share of the costs of providing TCM services to Medicaid-eligible persons.

An “encounter” is defined as a face-to-face contact for the purpose of rendering one or more TCM service components by a case manager. For Public Guardian target populations, the encounter may be with persons acting on behalf of the Medi-Cal beneficiary.

Once the department has approved the LGA’s TCM service encounter rate, the LGA agrees to the reimbursement rate as payment in full.

TCM Maximum Reimbursement Limit (Cap)

The TCM maximum reimbursement limit (Cap) ensures compliance with the federal requirement that reimbursements to providers do not exceed the providers’ actual costs.

The total dollar amount that may be claimed in the current fiscal year is calculated by multiplying the per-encounter rate by the projected number of Medi-Cal encounters. The projections must be supported by program documentation that identifies staff levels sufficient to achieve the projected number of encounters.

Any costs associated with providing TCM services in the current fiscal year in excess of the Cap are identified in the TCM cost report and become part of the calculation to determine the per-encounter rate for the subsequent fiscal year.

The LGA receives a TCM approval letter that identifies the encounter rate and the Cap. The Cap must be multiplied by the prevailing federal medical assistance percentage (FMAP) rate to determine the maximum reimbursable federal share. (The TCM Cap is equal to line 22 of Worksheet A of the cost report and represents 100% of reported TCM costs.) The number of projected Medi-Cal encounters is multiplied by the appropriate TCM encounter rate; this amount is then multiplied by the FMAP. The resulting amount is the maximum amount the LGA will be reimbursed.

TCM Encounter Rate Contents

The costs of performing the following activities by the case manager are included in the TCM service rate:

- Staffing cases through team meetings and interagency coordination time;
- Traveling and related costs incurred by a case manager while performing TCM duties;
- Arranging client transportation and appointments;
- Preparing/documenting case records;
- Arranging for translation activities and/or providing translation as part of the TCM service, including the costs of purchasing translation services from a vendor to enable communication between the client and case manager;
- Supervising case managers;
- Case managers receiving non-SPMP training;
- Administering TCM subcontracts, when performed by an identifiable unit of one or more employees not otherwise claimed or funded through established rates or other programs, to:
 - Identify and recruit community agencies as TCM contract providers;
 - Develop and negotiate the performance of subcontractors to TCM providers to ensure appropriate delivery of TCM services to eligible beneficiaries;
 - Monitor TCM provider subcontracts to ensure compliance with Medi-Cal regulations; And
 - Provide technical assistance to TCM subcontractors regarding county, State, and federal regulations.
- Monitoring TCM Quality Assurance/Performance, including:
 - TCM case documentation compliance;
 - TCM “free care” and “third party liability” compliance;
 - Preventing duplication of services and ensuring continuity of care when a Medi-Cal recipient receives TCM services from two or more providers; and
 - Monitoring Medi-Cal TCM provider agency capacity and availability.

- Planning and developing TCM programs and policies, including:
 - Planning to increase TCM system capacity and close gaps;
 - Interagency coordination to improve TCM service delivery;
 - Developing policies and protocols for TCM; and
 - Developing TCM resource directories.
- Incurring county overhead costs, including:
 - Operating expenses and equipment;
 - Accounting;
 - Budgets;
 - Personnel;
 - Business services;
 - Clerical support;
 - Management; and
 - County indirect costs from the Cost Allocation Plan/Indirect Costs Rate Plan.
- TCM data systems and claiming coordination, including:
 - Input Medi-Cal data from the Encounter Log into the data collection system;
 - Reconcile ineligible TCM Medi-Cal encounters;
 - Maintaining and analyzing Medi-Cal TCM management information system.

Preparing the TCM Cost Report

All amounts entered into the cost report must be supported by time surveys, financial documentation, or schedules.

Defining the Budget Unit

The budget unit should be the smallest budget/organizational unit that includes all TCM related costs of all employees meeting the TCM Case Manager qualifications and their supervisors and support staff, plus overhead for the program area. Determination of the budget unit will depend on the accounting system used by the LGA program. If more than one division participates in TCM within one program area (e.g., Field Nursing and Communicable Disease within Public Health) then the budget unit must include the costs and revenues of both divisions. All costs will be identified by TCM, Non-TCM or Admin. classifications.

Classifying Salaries and Benefits

Based on the primary function of the employee within the budget unit, classify salaries and benefits into TCM, Non-TCM, and Admin (Overhead) classifications.

TCM Class - Those who completed time surveys including Case managers, Supervisors of Case Managers and Support persons to Case Managers, and the TCM case managers who were not present during the survey month. The individual staff will be listed in the Salaries worksheet.

Refer to PPL 03-008 for specific instructions about which staff are time surveyed and recorded as TCM class costs.

Non-TCM Class - Consists of direct service staff and staff who perform MAA. These staff do not provide or support TCM services. These costs may be aggregated on a separate schedule and recorded in aggregate as one line in the Salaries workbook. In place of the Employee Name, include the name of the supporting schedule.

Admin (Overhead) Class - Consists of staff that support all functions of the budget unit. This may include the fiscal, personnel, and administrative staff that reside in the budget unit. If these staff are aggregated, in place of the employee name reference the supporting schedule.

Classifying TCM Contractors Costs

Classify the cost of TCM contractors by Specific or Non-Specific and identify the actual TCM costs from the total amounts paid to the contractors.

Classifying All Other Costs

Schedule 1B is designed to allow allocation all other costs as a proportion of salary and benefits or as a direct cost assigned to a particular employee line. Some costs may be identified as 100% TCM that will not be further redistributed by the Time Surveys.

Worksheet D has been provided for these unique costs.

If the budget unit is a subset of a larger department and all costs are being reported for the larger department, certain costs are clearly not to be assigned to TCM. These include the non-allowable costs such as medical equipment and activities of staff outside the TCM unit. These costs may be recorded in aggregate as Non-TCM costs in the Salaries workbook. In place of the Employee Name, include the name of the supporting documentation that aggregates the costs. It is important to understand the function of the costs as they relate to the TCM unit and be able to clearly support any methodologies used to identify TCM and non-TCM costs.

TCM Time Surveys Template

Choose the correct TCM Time Survey Template to accommodate up to 30, 60, or 200 surveys. If your program exceeds 200, contact DHS for assistance.

Enter Time Survey results of every staff that time surveyed into the individual worksheets of the TCM Time Survey Template. All information entered will flow to the Totals and List Worksheets.

All staff who are direct support or direct supervisors must time survey in order to be included in the TCM class costs otherwise they will be recorded in the Admin. class costs. Admin. Staff and Non-TCM staff will not be included in this survey template.

TCM Cost Report Audit File

Once your Cost Report is completed, packaged, and sent to the State, you probably think you're all done. Wrong! State staff will review the Cost Report to ensure that all of the required elements are there, but will not make a determination as to the validity of the records that are submitted. The person preparing the TCM Cost Report is to be responsible for creating an audit file. All documents related to the TCM Cost Report need to be stored where they are accessible to the person responsible to answer questions from an Auditor. Usually that would be the person who prepared the Cost Report. The State will contact the MAA/TCM Coordinator to ask for more information regarding the Cost Report or to arrange for an audit, so the Coordinator needs to know where, and to whom, to direct the auditors.

Steps to follow in preparing TCM Cost Report

Prior to beginning the cost report the following documents must be gathered for each program area:

- Organizational Chart.
- FY 2002-03 General Ledger Account Grouping Schedule.
- FY 2003-04 Board approved final budget showing actual expenses for the prior year (FY 2002-03).
- FY 2002-03 year-end working trial balance (expenses and revenues).
- FY 2002-03 salaries and benefits by employee.
- FY 2002-03 services and supplies.
- FY 2002-03 TCM Encounter Logs (Medi-Cal and non-Medi-Cal).
- Copies of the contracts for non-LGA providers of TCM services for FY 2002-03.
- Copies of FY 2002-03 contracts for which revenue may be received for TCM related services.
- September 2002 TCM (case manager) Time Survey forms for programs that time surveyed to TCM last year.
- September 2003 TCM (case manager) Time Survey forms for programs that time surveyed to TCM for the first time this year.

1. Read the Overview.
2. Review the Helpful Hints.
3. Gather TCM Time Surveys, financial data, and TCM contractor costs.
4. Use the Excel TCM Time Survey Template.
5. Follow directions closely to prepare the newest Excel TCM cost report Template in the following order:
 - a. Survey Averaging - Input hours from TCM Time Survey Template List
 - b. Salaries Worksheet:
 - i. Schedule 1A - Salaries and Benefits
 - ii. Schedule 1B - Operating Costs
 - iii. Schedule 2A - Time Survey Results
 - iv. Schedules 2B, 2C and 2D - Automatic reclassification formulas, no entry
 - c. Contractors - If TCM Contractors are used
 - d. Worksheet D - Optional to classify costs that are not allocated by time surveys
 - e. Worksheet C - Cost reclassification analysis tool, no data entry required
 - f. Worksheet B - To record offsetting revenues that support TCM costs

- g. Encounters - Calculates and documents methodology used to project encounters
 - h. Worksheet A - Summarizes all costs and develops the encounter rate
- 6. Include LGA name, TCM Program, and reporting period on table of contents and all supporting documentation included with TCM cost report.
- 7. Provide one cover letter on LGA letterhead for each separate TCM program from the MAA/TCM Coordinator.
- 8. Carefully review the checklist to be sure all attachments are included and the proper files have been transmitted to DHS.
- 9. Keep a clean audit file with all interim reports and calculations, methodologies used, and copies of supporting documentation submitted with cost report so that anyone can follow exactly how each figure in the cost report was determined.

Instructions for the Time Surveys Template

Worksheets: List, Totals, Blank, Numbered sheets, End

Overview: The purpose of this workbook is to record the TCM Time Surveys in a standardized format to support the TCM cost report. Data will be entered from the staff original Time Surveys into the Numbered sheets to provide the List used for the TCM cost report Salaries worksheet.

General Instructions: These instructions will work for Time Surveys 30, 60 and 200 with the exception of the final cell descriptions, as explained separately below.

Instructions for the Time Surveys Template

Worksheet: List

Overview: The purpose of this worksheet is to provide a TCM cost report List from Individual Survey Worksheets for use in the Salaries Worksheet of the TCM cost report.

General Instructions: These instructions will work for Time Surveys 30, 60, and 200 with the exception of the final cell descriptions, as explained separately below.

Cell (Column Row)	Detailed Instructions
B1	Enter the name of the LGA as reported on the TCM cost report.
B2	Enter the name of the TCM program as reported on the TCM cost report.
D2	Enter the Month and Year of the Time Surveys included in this Workbook.
V5	This cell is optional and may be used to enter the hours the employee calculated on the original, signed Time Survey. It is used with the results in cell W5.
W5	This formula provides the difference of the total hours in U5 and the employee calculation in V5 for resolving. The difference may be due to a data entry error in the workbook or a calculation error by the employee that needs to be lined out, corrected, and initialed by the employee.

The remaining cells have formulas that link to the worksheets in this workbook to report data or total data for use in the TCM cost report.

A5	This cell represents the worksheet number linked to this row.
B5	This cell represents the employee name recorded on the worksheet linked to this row in cell O7.
C5	This cell represents the employee number recorded on the worksheet linked to this row in cell A7.
D5	This cell represents the employee's job classification recorded on the worksheet linked to this row in cell H7.
E5, F5, G5	These cells represent the option selected for the employee's TCM position of being Case Manager, Supervisor of Case Manager(s), or Support to Case Manager(s) as recorded on the worksheet linked to this row in cells N3, S3, or W3.

H5 to T5	These cells represent the total hours for each of the Activities on the TCM Time Survey as recorded on the worksheet linked to this row in cells AG9 through AG34.
U5	This formula sums the hours in H5 to T5.
Y5 to AC5	These formulas calculate the percentage of time to be entered into the TCM cost report Schedule 2A for the individual staff.
Y5	This formula calculates the TCM percentage of time for the workbook linked to this row. It is the total TCM hours in N5 divided by total hours in U5, rounded to 2 decimal places for the percentage to be entered into Schedule 2A column T.
Z5	This formula represents the non-TCM, non-General Administration, non-Paid Time Off percentage of time for the workbook linked to this row. It is the total of Other hours in H5, plus Direct hours in I5 plus MAA hours in J5 to M5, O5, P5, S5, and T5 divided by total hours in U5, rounded to 2 decimal places for the percentage to be entered into Schedule 2A column U.
AA5	This formula represents General Administrative percentage of time for the workbook linked to this row. It is the total GA hours in Q5 divided by total hours in U5, rounded to 2 decimal places for the percentage to be entered into Schedule 2A column V.
AB5	This formula represents Paid Time Off percentage of time for the workbook linked to this row. It is the total PTO hours in R5 divided by total hours in U5, rounded to 2 decimal places for the percentage to be entered into Schedule 2A column W.
AC5	This formula represents the total percentage of time which should be 100% or a formula error for division by zero if the workbook linked to this row is blank.

The remaining instructions are divided for TCM Time Surveys 30, 60, and 200

These descriptions apply to TCM Time Surveys 30 only	
E37 to G37	These formulas calculate the total number of staff for each of the TCM positions for information only.
F38	This formula calculates the total number of staff recorded in this Workbook. This number should agree with the total number of Time Surveys copied and provided with the TCM cost report.
Y39 to AB39	These formulas calculate the total hours to be entered into the TCM cost report Time Survey Averaging Worksheet.
Y39	This formula represents the total TCM hours worked by all staff in this workbook. It is to be entered into G10 of the averaging worksheet.
Z39	This formula represents the total non-TCM, non-GA and non-PTO hours worked by all staff in this workbook. It is to be entered into G11 of the averaging worksheet.
AA39	This formula represents the total General Administration hours worked by all staff in this workbook. It is to be entered into G12 of the averaging worksheet.
AB39	This formula represents the total Paid Time Off hours worked by all staff in this workbook. It is to be entered into G13 of the averaging worksheet.
Row 40	These formulas represent the averages to expect to see in the TCM cost report averaging worksheet.

These descriptions apply to TCM Time Surveys 60 only	
E67 to G67	These formulas calculate the total number of staff for each of the TCM positions for information only.
F68	This formula calculates the total number of staff recorded in this Workbook. This number should agree with the total number of Time Surveys copied and provided with the TCM cost report.
Y69 to AB69	These formulas calculate the total hours to be entered into the TCM cost report Time Survey Averaging Worksheet.
Y69	This formula represents the total TCM hours worked by all staff in this workbook. It is to be entered into G10 of the averaging worksheet.
Z69	This formula represents the total non-TCM, non-GA and non-PTO hours worked by all staff in this workbook. It is to be entered into G11 of the averaging worksheet.
AA69	This formula represents the total General Administration hours worked by all staff in this workbook. It is to be entered into G12 of the averaging worksheet.
AB69	This formula represents the total Paid Time Off hours worked by all staff in this workbook. It is to be entered into G13 of the averaging worksheet.
Row 70	These formulas represent the averages to expect to see in the TCM cost report averaging worksheet.

These descriptions apply to TCM Time Surveys 200 only	
E207 to G207	These formulas calculate the total number of staff for each of the TCM positions for information only.
F208	This formula calculates the total number of staff recorded in this Workbook. This number should agree with the total number of Time Surveys copied and provided with the TCM cost report.
Y209 to AB209	These formulas calculate the total hours to be entered into the TCM cost report Time Survey Averaging Worksheet.
Y209	This formula represents the total TCM hours worked by all staff in this workbook. It is to be entered into G10 of the averaging worksheet.
Z209	This formula represents the total non-TCM, non-GA and non-PTO hours worked by all staff in this workbook. It is to be entered into G11 of the averaging worksheet.
AA209	This formula represents the total General Administration hours worked by all staff in this workbook. It is to be entered into G12 of the averaging worksheet.
AB209	This formula represents the total Paid Time Off hours worked by all staff in this workbook. It is to be entered into G13 of the averaging worksheet.
Row 210	These formulas represent the averages to expect to see in the TCM cost report averaging worksheet.

Instructions for the Time Surveys Template

Worksheet: Totals

Overview: The purpose of this worksheet is to provide a tool in analyzing possible data entry errors of the individual Time Surveys worksheets that follow it to the right.

General Instructions: This worksheet provides data by each day summarized for all of the worksheets. If a worksheet was inserted before "blank" or after "end" the totals will not be accurate for the List worksheet that is used for developing the TCM cost report.

Cell (Column Row)	Detailed Instructions
N3, S3, and W3	These cells calculate the total number of staff for each of the TCM positions for information only and will agree with List totals.
M4	This formula calculates the total number of staff recorded in this Workbook and will agree with List totals.
B8-AF31	These represent the days of the month of the time survey.
B9 to AF36	These formulas calculate to total number of hours recorded on the numbered worksheets for each activity on each day.
AG9 to AG36	These formulas sum the total number of hours for each activity.
B37 to AF37	These formulas sum the total number of hours for each day.
AG37	This formula sums the total number of hours for all activities.
AI9 to AI36	These formulas calculate the percentage of the total number of hours for each activity and is achieved by dividing the total activity hours by the total hours in AI37. This is for informational use only. It is not used in the TCM cost report.
AI37	This formula represents the sum of the percentages of activity hours and should be 100%.

Instructions for the Time Surveys Template

Worksheet: Blank

Overview: The purpose of this worksheet is to provide a starting point for the Totals worksheet to use when calculating the total of hours entered into individual Time Survey worksheets that follow it to the right.

General Instructions: This sheet is a placeholder only, not to be used.

Instructions for the Time Surveys Template

Worksheet: Numbered Sheets

Overview: The purpose of these worksheets is for data entry of each staff's Time Survey to arrive at accurate totals that are used by the List worksheet for recording on the TCM cost report. The DHS staff will use these sheets as an audit tool with the copies of the individual Time Surveys that are submitted with the TCM cost report.

General Instructions: The number of sheets varies depending upon which Workbook is being used. Time Surveys 30 has 30 sheets for up to 30 Time Surveys; Time Surveys 60 has 60 sheets, and 200 has 200 sheets. This prevents the need to alter the template.

Sort Time Surveys into alphabetical order and enter one Time Survey per worksheet in the alphabetical order. If individual Excel forms are used by staff, the copy paste functions can be used to transfer the daily activity hours of each staff as explained in detail below. Use caution, because these sheets are not protected.

Cell (Column Row)	Detailed Instructions
N3, S3, and W3	These cells have a pull-down box with the option of 1 to indicate the TCM position of the staff being entered on this worksheet. Select only one of the three options to indicate if staff is a Case Manager, Supervisor of Case Manager(s), or Support staff to Case Manager(s). Leave the unused boxes blank.
A7 to AG7	This row may be copied and pasted from an individual Time Survey Excel worksheet. The shortcut is to right click on the row number of the individual worksheet and paste the whole row into the Numbered worksheet
A7	Enter the last name first, then first name of Time Surveyor.
H7	Enter the employee job classification of Time Surveyor. If MAA is also claimed, this must match the Claiming Plan job classification.
O7	Enter the employee number of Time Surveyor.
U7	Enter the program and claiming unit of Time Surveyor. If MAA is also claimed, this must match the Claiming Unit name.
AB7	Enter the claiming unit location of Time Surveyor.
B8-AF31	These represent the days of the month of the time survey.

B9 to AF36	Enter the number of hours recorded by the Time Surveyor for each activity on each day these can easily be copied from another Excel worksheet and pasted into the numbered worksheet if the entire range from B9 to AF36 is selected in both workbooks. Do not copy the formulas from any other workbook in order to allow the TCM Time Surveys workbook to perform this function.
AG9 to AG36	These formulas sum the total number of hours for each activity and should agree with the original, signed Time Survey.
B37 to AF37	These formulas sum the total number of hours for each day and should agree with the original, signed Time Survey.
AG37	This formula sums the total number of hours for all activities and should agree with the original, signed Time Survey.
AI9 to AI36	These formulas calculate the percentage of the total number of hours for each activity arrived by dividing the total activity hours by the total hours in AI37.
AI37	This formula represents the sum of the percentages of activity hours and should be 100%.
B39 to AF39	These cells are optional. A "V" can be entered to document that each day has been compared to payroll and can be useful if various staff provide the review process.

Instructions for the Time Surveys Template

Worksheet: End

Overview: The purpose of this worksheet is to provide the ending point for the Totals worksheet to use when calculating the total of hours entered into individual Time Survey worksheets that precede it to the left.

General Instructions: This sheet is a placeholder only, not to be used except for copying to insert as new Time Survey worksheets to the left of it. If used, the List must be revised to account for all additional inserted worksheets.

Survey Averaging Worksheet CALCULATION FOR AVERAGED PERCENTAGES IN SCHEDULE 2A	
<p><u>Overview:</u> The purpose of this worksheet is to calculate the time survey percentage averages for use in the Averaged section of Schedule 2A in the Salaries worksheet.</p>	
<p><u>General Instructions:</u> Use the Schedule labeled <u>List</u> from the TCM Time Survey Template to obtain the enter the total hours of each of the four categories. (See <u>List</u> instructions.) The calculations for the average percentages will appear in the green cells. They will automatically link to the Salaries worksheet to the yellow cells in the Salary Survey columns. Double check that the results from the Survey Averaging worksheet appears in the Averaging section of Schedule 2B in the Salaries worksheet.</p>	
Cell (Column Row)	Detailed Instructions
G10	Enter the total number of TCM hours for all time surveyors. Do not enter a percentage here.
G11	Enter the total number of Other/Direct Service/MAA hours for all time surveyors. Do not enter a percentage here.
G12	Enter the total number of General Administration hours for all time surveyors. Do not enter a percentage here.
G13	Enter the total number of Paid Time Off hours for all time surveyors. Do not enter a percentage here.
G14	This formula sums cells G10 to G13. Double check that you have entered correctly each of the four time survey categories from the <u>List</u> worksheet of the TCM Time Survey Template. The Total Hours should agree with this cell.
Averages	The <u>List</u> worksheet provides anticipated average percentages for further verification of data entry into this worksheet.

TCM Cost Report Template

Worksheets: A, Encounters, B, C, D, Salaries, Survey Averaging, Contractors, Instructions

Overview: The purpose of this standardized template is for LGAs to record the reporting period's costs of providing TCM services for each TCM program in order to calculate the encounter rate and maximum reimbursement limit for payment for the current fiscal year's TCM encounters.

General Instructions: Keep this file intact with all worksheets in one file. Name the file that is emailed to DHS with the first six characters of the LGA name plus the first characters of the TCM program as follows: PH-Public Health, LK-Aging/Linkages, OC-Outpatient Clinics, PG-Public Guardian/Conservator, AP-Adult probation, CO-Community, OC-Outpatient Clinics. (Example for Mendocino Public Guardian: MendocPG.)

Some cells are automatically filled with text entered in other sheets of the workbook such as the LGA name and TCM program name at the top of each page.

Blue highlighted cells are data entry fields.

Green highlighted cells have formulas in the cell that must not be altered.

Yellow highlighted cells are also formula fields that also link to or link from another sheet in the workbook as indicated in text above or below the cell.

Some of the cells contain a drop-down box. These are not visible on the screen until you click on the cell. To see the list of text that can be entered into these cells: left click the cell and then left click the down-arrow button located in the lower right corner of the cell. A drop down list will appear. Choose one of the items on the list by placing the cursor over it and then clicking the left mouse button.

Cells with a red triangle in the upper right corner contain comments to assist with data entry. To read the message, place your cursor on the cell without clicking. Follow these comments very carefully.

Salaries Worksheet

Overview: This worksheet is the primary place of entry for classification of employees, salaries and benefits, operating costs, and time survey results.

General Instructions: The worksheet is divided into three groups of employees: "Time Surveyed to TCM," "Averaged" and "Admin & NTCM." The Time Surveyed group is to list those employees of the claiming unit who completed the TCM Time Survey. The Averaged group is to list those employees of the claiming unit who did not time survey, but who qualify to have their salaries and expenses charged to the TCM Costs based on the results of those employees who did time survey. See PPL 03-008 for the rules regarding who can be listed as an "Averaged" employee. Admin & NTCM is for employees who did not time survey and are Non-TCM or who are Administrative Support for all functions of the budget unit, TCM as well as other.

Cost report units with more employees than are provided for in the Salaries worksheet will have to insert new rows for the extra employees. Follow standard Excel rules for the insertion of rows. It is best to insert a row in between two existing rows that contain the formatting to be used in the new row. If rows are inserted this way, formatting will be consistent in the new row and column totals will include the new row. However, formulas will need to be copied from a row that performs the same function and pasted where needed into the new row.

The amounts entered into the Salaries worksheet must tie or reconcile to your General Ledger. If your accounting system has the ability to create a smaller claiming unit from a larger general ledger unit, remember to be consistent. If you have excluded certain employees, you must exclude all of their associated costs as well and provide supporting documentation to reconcile to the General Ledger.

Cell references in Detailed Instructions below are per TCM cost report template before any insertion of rows by preparer.

Column	Column Heading	Detailed Instructions
Schedule 1A -Top Group for staff who surveyed to TCM		
B	Employee Name	This column is for the first and last name in your alphabetized list of TCM time surveyors.

C	Role	This cell contains a drop-down box with your choices for entry. "Case Manager" is an employee who performs the TCM services for clients. "Direct Supervisor of Case Manager" is for one who is the direct supervisor of the Case Manager(s). "Direct Support of Case Manager" is for one who performs needed support for the Case Manager to function effectively.
D	Notes	This cell is for optional LGA notes.
E	Classification	This cell contains a drop-down box with "TCM" as the only choice. Select TCM.
F	Salaries	<p>This cell is for the gross salary of the employee entered in B10.</p> <p>In the blue cell at the bottom of this column enter reference for the attached supporting documentation Examples: GL page 2; Sched 4A</p>
G	Benefits	<p>This cell is for the gross benefits of the employee entered in B10.</p> <p>In the blue cell at the bottom of this column enter reference for the attached supporting documentation Examples: GL page 2; Sched 4B</p>
Schedule 1A - Second Group for TCM staff who are being averaged		
B	Employee Name	This column is for the first and last name in your alphabetized list of case managers who qualify to be averaged.
Schedule 1A - Bottom Group for all other staff classified as Admin or NTCM		
B	Employee Name	Enter General Admin staff and all other staff who do not perform TCM. DHS prefers that you enter each staff individually. However, ADMIN and NTCM staff may be aggregated on a separate schedule with a single figure representing each if a schedule is attached which lists all staff (Salaries and Benefits) that comprise it. In the place of the employee name, reference the separate schedule.
C	Role	This is not a required field.

E	Classification	This cell contains a drop-down box with NTCM or Admin as the only choices. Select the appropriate choice per description in General Instructions above.
Schedule 1A - Columns H through K		
H	Totals	No Entry. This column calculates the sum of Salaries and Benefits columns F and G for each employee.
I	TCM Class Cost	No Entry. This column will be the total Salaries and Benefits for employee lines with TCM in column E.
J	Non-TCM Class Cost	No Entry. This column will be the total Salaries and Benefits for employee lines with NTCM in column E.
K	Administrative Class Cost	No Entry. This column will be the total Salaries and Benefits for employee lines with Admin in column E.
Schedule 1B - Operating Expenses		
L	TCM Class Cost	No Entry. This column will be the total Operating expenses from Column R for employee lines with TCM in column E.
M	Non-TCM Class Cost	No Entry. This column will be the total Operating expenses from Column R for employee lines with NTCM in column E.
N	Administrative Class Cost	No Entry. This column will be the total Operating expenses from Column R for employee lines with Admin in column E.
O	Totals	No Entry. This column calculates the sum of columns L, M, and N for the total Operating Expense of each employee.
P	Operating Expenses By Employee	This cell is for entry of the expenses directly associated with the employee entered into column B. If the accounting system cannot separate the expenses by employee, do not use this column. Any costs that are not allowed to be distributed to TCM costs can be assigned directly in Column P to employees or aggregated staff coded as NTCM. In the blue cell at the bottom of this column enter reference for the attached supporting documentation Examples: GL page 2; Sched 4B.

Q	Distributed Operating Expense	When expenses of the TCM cost report budget unit are mixed and separation by employee is not maintained, the blue cell at the bottom of the column will be used to allocate to each employee as a proportion of salary and benefits. This cell is for entry of allowable gross expenses only. If you are not listing 100% of the personnel from a general ledger unit, be consistent and do not include 100% of the expenses. In the blue cell at the bottom of this column enter reference for the attached supporting documentation Examples: GL page 2; Sched 4B.
R	Total Expense by Employee	This column is a sum of columns P and Q to represent the total operating costs of the budget unit.
Schedule 2A - Salary Survey - Use <u>List</u> worksheet from TCM Time Surveys Template for the Top Group		
T	TCM	This column is for entry of each employee's TCM time from the <u>List</u> . Column Y has calculated this percentage for you. Enter the percentage to two decimal places. For example: 25.48 for 25.48%.
U	Other/Direct/MAA	This column is for entry of each employee's percentage of time coded to Other, Direct Services, and MAA. Column Z of the <u>List</u> has the percentage to use.
V	Gen Admin	This column is for entry of each employee's percentage of time coded to General Administration. Column AA of the <u>List</u> has the percentage to use.
W	PTO	This column is for entry of each employee's percentage of time coded to PTO, found in Column AA of the <u>List</u> .
X	Totals	No entry. If you receive an error message here, the employee's four categories of time survey results do not sum to exactly 100.00 percent. Verify data in each cell has two decimals. This column must show 100.00% or must be cleared of the error message before proceeding as this will cause the remaining schedules and Worksheet C to not work correctly.

Schedule 2A - Use <u>Survey Averaging</u> worksheet for the Second Group		
T to W	Averaged Percentages	No entry. Verify these numbers linked correctly from <u>Survey Averaging</u> worksheet cells I10, I11, I12, and I13 into the yellow cells of these columns. The <u>Survey Averaging</u> worksheet must be completed even if the claiming unit has no employees to average or the <u>Salaries</u> schedules will not work correctly. Remember to insert new rows for extra Averaged employees between existing employee rows in the average group per the General Instructions above.
X	Totals	No entry. Each cell must be 100.00%.
Schedule 2A – Bottom Group for all other staff classified as Admin or NTCM		
U	Other/Direct/MAA	If the employee on this line has been designated as NTCM, select 100.00%. If the employee on this line has been designated as Admin, select 0.00% from the drop-down box.
V	Gen Admin	If the employee on this line has been designated as Admin, select 100.00% from the drop-down box. If the employee on this line has been designated as "NTCM," select 0.00% from the drop-down box.
X	Totals	No entry. Each cell must be 100.00%.
Schedule 2B - Salary Allocation Based on Survey		
Y to AC		No entry. Salaries and benefits are being allocated based on the Time Survey entries in columns .
Schedule 2C - PTO Allocation		
AD		No entry. A unit multiplier for each staff calculated by dividing the PTO percentage in column W by the remaining percentages of time to allocate PTO to each of the other three survey categories.
AE to AG		No Entry. PTO costs are being reallocated to each of the other three survey categories.

Schedule 2D - Operating Expenses Allocation		
AH	Unit Multiplier	No entry. A unit multiplier for each staff calculated by dividing the Total Expense by Employee in column R by the Total Salaries and Benefits of each employee in column H to allocate the Operating expenses in Schedule 1B to each of the three cost report categories.
AI to AK		<p>No Entry. Operating costs in Schedule 1B are being reallocated to each of the three cost report categories.</p> <p>The total at the bottom of each column carry forward to Worksheet C1 for calculating Worksheet C totals.</p>
AL	Total Costs	No Entry. Total costs allocated to each employee line. The amount in the bottom of this column will be the sum of Schedule 1A Salaries and Benefits plus Schedule 1B Operating Expenses. The most common reason this amount will not be identical is due to rounding in each of Schedules 2B, 2C and 2D, or a data entry error of the time survey percentages in Schedule 2A.

Contractors Worksheet

SCHEDULE 3A

Overview: The purpose of this worksheet is to provide the list of all TCM contractors and amounts paid for services provided for the target population. The worksheet is divided to separate the Specific and Non-specific contracts. Contracts may include case management services or unique services to the LGA such as developing computer software used for TCM.

General Instructions: Some cells such as B1, B2, D2, and E2 are automatically filled with text entered in other sheets of the workbook. Cells highlighted in blue are data entry fields. Cells highlighted green are calculated fields, meaning there is a formula in the cell. Cells highlighted yellow are also formula fields, but they also link to or link from another sheet in the workbook.

Contractor - Non-Specific

If contracts for TCM services do not specify the amount to be paid for TCM services, the costs associated with these contracts should be reported as "non-specific" contracts. The contractor staff are required to time survey to determine the portion of the contract payments for TCM costs. The total contract costs and net TCM costs will be entered.

Contractor - Specific

If contracts for TCM services specifically identify the amount to be paid for TCM services, the costs associated with these contracts should be reported as "specific" contracts. If the contract includes both TCM and non-TCM services, the total contract costs and net TCM costs will be entered.

Worksheet Column	Column Heading	Detailed Instructions
B	Contractors Specific or Non-Specific	Use this column to record the name of the Contractor and any identifying information to easily locate it in the supporting financial documentation.
C	Total Cost	This amount represents the total amount paid to the Contractor and will flow to <u>Worksheet A</u> column 2.
D	TCM Costs Per Analysis	Use this column to record the amounts determined by supporting documentation to be TCM only costs. These amounts flow to <u>Worksheet C</u> through column 1 of Worksheet C1
E	Non-claimable	This formula calculates the difference between Total cost and TCM cost per analysis to represent the non-claimable portion of the contract payments.

Worksheet D

ADJUSTMENTS TO EXPENSES

Overview: The purpose of this worksheet is to assist LGAs in reporting costs that are: 100% TCM costs, 100% non-TCM costs or unallowable costs.

General Instructions: Each of the three types of costs should be identified as separate amounts and listed with their general ledger account title in the description field. List one general ledger account title per line. Generally, numbers entered on this worksheet are entered as positive numbers. It is recommended that Column 2, 3, and 5 of Worksheet D not be used.

Some examples include costs which:

100% TCM

- Are related only to TCM and not to other programs, such as the purchase of a computer system that is used exclusively for TCM.

100% Non-TCM

- Are related only to non-TCM contracts or other non-TCM programs such as lab supplies, medical supplies, professional licenses, contracts for 100% Non-TCM services, etc.

Unallowable

- Are unallowable costs, such as malpractice insurance, interest expense, costs for lobbying activities, etc.

For more information, refer to OMB Circular A-87 which can be found on the web at:

<http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>

Column	Column Heading	Detailed Instructions
B	Description	Use this column to list the general ledger account titles from your accounting system (one title per line). If a general ledger account title is listed more than once, identify it as TCM, non-TCM or unallowable.
C	1. Total Adjustment to TCM Class Costs	Use this column to record any cost that is 100% TCM, except Contractor costs.
D	2. Total Adjustment to Contractor Costs-Non Specific	Use of this column is not recommended. Contractor costs belong on the Contractors worksheet, in the Contractors-Non-specific section.

E	3. Total Adjustment to Contractor Costs-Specific	Use of this column is not recommended, contractor costs belong on the Contractors worksheet, in the Contractors-Specific section.
F	4. Total Adjustment to Non TCM Services	Use this column for costs that are 100% Non-TCM or unallowable. If an unallowable cost is in the same general ledger account as a non-TCM costs, the two amounts will be separated and identified on separate lines. For example Insurance - (non-TCM) on one line and Insurance - (Unallowable) on another line.
G	5. Total Adjustment to Overhead Services	Use of this column is not recommended. Overhead costs are to be recorded on the Salaries worksheet in the Distributed Operating Expense column, Schedule 1B.

Worksheet C

RECLASSIFICATION WORKSHEET

Overview: The purpose of the table in this worksheet is to reclassify the costs based on the time survey results (Rows 1-7).

General Instructions: The table in this worksheet (Rows 1-7) is self-generating and does not require the preparer to enter any information because the reclassification of costs is based on the time survey results that were entered into the Salaries schedule, 2A per PPL 03-008.

Note: For reclassifications purposes, Direct Services, Other Programs/Activities, and all MAA time is classified as Non-TCM Costs.

This worksheet is useful to determine which costs are not following correctly to Worksheet A. Total costs on Worksheet C1 should be equal to the total costs of the Salaries schedules and the Contractors Worksheet. A section of each cost has been provided for analysis. The most common error is incorrect data entry of Time Survey results in Schedule 2A.

Cell (Line)	Detailed Instructions
Line 1	LGA-TCM Class Costs which must be reclassified to other TCM cost report line(s) based on the annual time survey results
Line 2	Contractor TCM Costs (Non-Specific) reflects some TCM contractor costs that must be reclassified to other TCM cost report line(s) based on the annual time survey results. This is because the actual amount attributable to TCM services on Line 2 is unknown. Therefore, the contractor's employees will be required to time survey to ensure the appropriate classification of expenses on the cost report. The total costs that must be reclassified from the TCM contractor costs must be reported on Line 2, Column 4 of the TCM cost report.
Line 3	Contractor TCM Costs (Specific) reflects the contractor TCM costs when the exact amount attributable to TCM services is known and are not adjusted based on the time survey results.
Line 4	Total TCM Costs is a sub-total line for all costs recorded on Lines 1 through 3.
Line 5	Non-TCM Costs may be reclassified to other TCM cost report line(s) based on the annual time survey results. The total costs that must be reclassified from or to non-TCM line must be reported on Line 4, Column 4 of the TCM cost report.

Line 6	Overhead (Administrative & Facility Costs) which are not applicable to TCM must be reclassified to other TCM cost report line(s) based on the annual time survey results. The total costs that must be reclassified from or to the Overhead line must be reported on Line 6, Column 4, of the TCM cost report.
Line7	Total Costs reflects the sum of all adjustments to Lines 4, 5, and 6, Column 4, and must equal zero since all costs are reclassified between Lines 1 through 6.

Worksheet B

TCM RATE DEVELOPMENT REVENUE CALCULATIONS

Overview: The purpose of this worksheet is to itemize revenue that has been identified by the preparer as needing to be offset against costs included in the TCM allowable case manager costs on line 13 and 16 of Worksheet A. The total amount assigned to TCM services links as a negative number to line 18 of Worksheet A to arrive at the adjusted allowable case managers cost.

General Instructions: The first step is to analyze all of the revenue for the budget unit. This is best done on a spreadsheet to be kept in the audit file as backup for the TCM cost report. All revenue of the budget unit should be listed and categorized into Must be Offset, -Not Offset, or Permissible as Match according to PPLs 98-004 and 98-023 (update of 98-004), and recent clarifications provided by DHS.

Revenue categorized as Match or Not Offset is not listed in Worksheet B or anywhere in the TCM cost report. The existence of the appropriate match is certified by the authorized signer of the TCM cost report. The match amount may be audited at a future date, so it is important to keep this analysis in the audit file.

Revenue categorized as Offset is listed in worksheet B with its funding source. Only those offsetting revenues that have been designated as all or partly for TCM services are required to be reported and the preparer must separate out the TCM component of the revenue. The preparer's methodology for the separation must be documented and submitted.

The preparer may choose to list in worksheet B all "Must Be Offset" revenue of the budget unit, even the revenue that does not support TCM activities. The revenues that do not support TCM activities will be assigned a zero value in the column for Total Assigned to TCM Services. This optional approach will not alter the net TCM costs as only the amounts assigned to TCM services are carried forward.

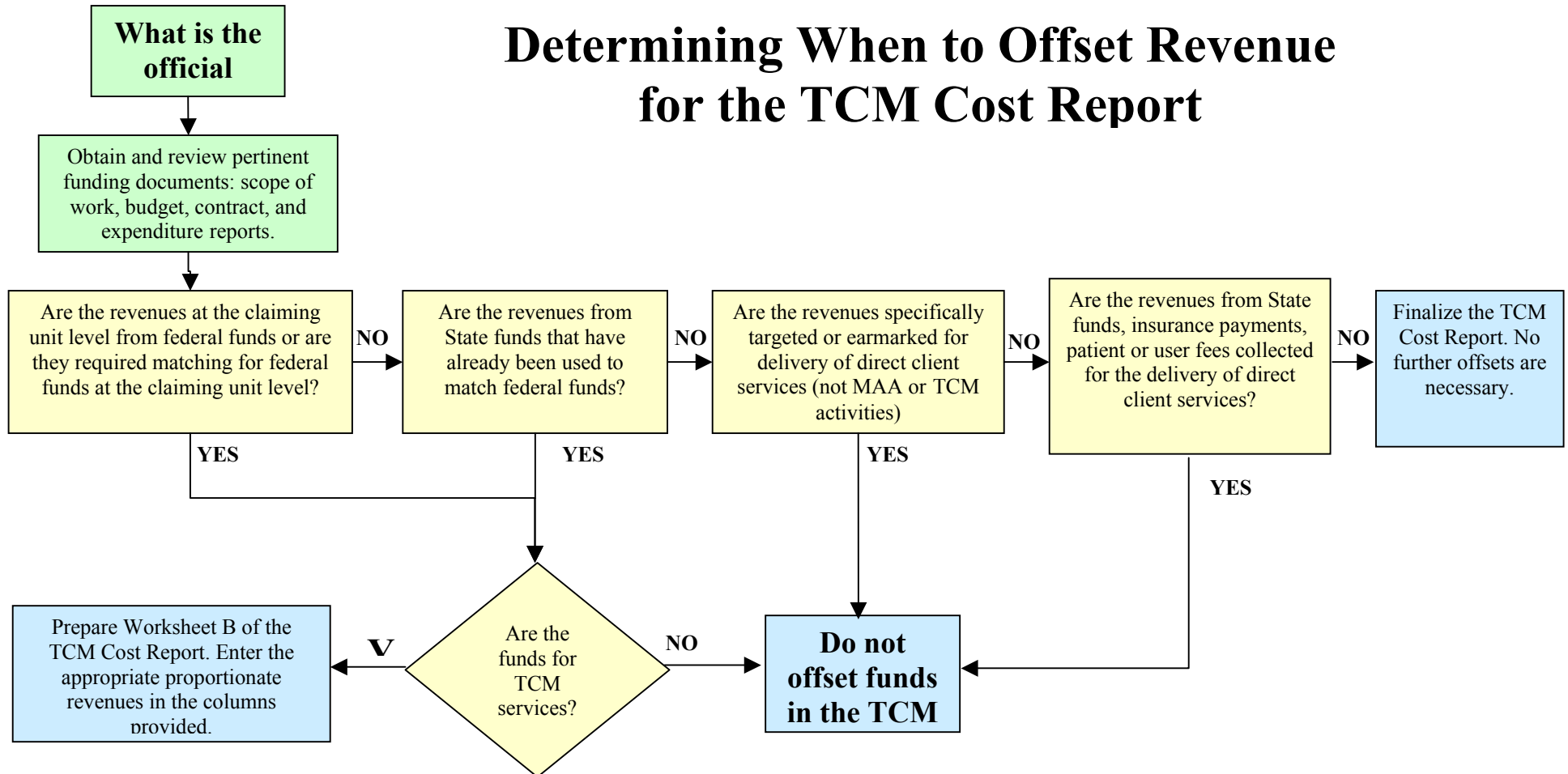
Be sure to only offset revenues that support costs that are included as TCM costs. If a portion of the costs have been placed in the Non-TCM classifications of the Salaries worksheet or Worksheet D due to being a disallowed TCM cost, the revenues supporting those costs will not be offset.

Two very basic examples for the purpose of illustration:

A revenue of the budget unit has been categorized by the preparer as "Must Be Offset." The revenue is not for the provision of TCM services. The preparer may choose not to list this revenue in worksheet B, or may list it and assign a zero amount to Total Assigned to TCM Services.

<p>A revenue of the budget unit has been categorized by the preparer as "Must Be Offset." The revenue is for the provision of TCM and other services provided by two case managers who time survey. One method to separate out the TCM component is to use the time survey results of these two case managers. Taking the sum of the TCM hours for both case managers divided by the sum of the total hours on both time surveys provides a TCM percentage. This TCM percentage can then be multiplied by the total funding amount to obtain the amount for total to assigned to TCM services.</p>		
Worksheet Column	Column Heading	Detailed Instructions
List one revenue source per line. Insert more rows as needed.		
B	Description	The title of the revenue. It is best to use the title provided by the source agency than to use the budget unit's internal designation. Do not use acronyms.
C	Source	The identification of the source of the revenue (for example: Federal). If revenue provided under an agreement is from multiple sources, or is from one source but administered by another, include the pertinent information as briefly as possible.
D	Total Revenue	The total of the individual revenue amount that is being considered on the line. No separation into TCM component and non-TCM component has been done yet on this amount.
E	Total Assigned to TCM Services	The amount of the revenue listed in column D that is for the provision of TCM services that are charged to the TCM cost report.
F	Total Assigned to Other Services	Formula subtracts the Total Assigned to TCM Services from Total Revenue.

Determining When to Offset Revenue for the TCM Cost Report



Note: MAA & TCM revenues should not be offset in the TCM Cost Report.

Encounters Worksheet ENCOUNTER METHODOLOGY	
<p><u>Overview:</u> The purpose of this worksheet is to assist <u>LGA</u>s in calculating their projected number of Medi-Cal encounters for the reporting period. There are two calculations done on this sheet which are linked to line 14 and line 21 of Worksheet A</p>	
<p><u>General Instructions:</u> Some cells such as B1, B2 and B3 are automatically filled with text entered in other sheets of the workbook. Cells highlighted in blue are data entry fields. Cells highlighted green are calculated fields, meaning there is a formula in the cell. Cells highlighted yellow are also formula fields, but they also link to or link from another sheet in the workbook. Some of the cells are formatted with something called a drop-down box. The cells with drop down boxes are not visible on the screen until you place your cursor on the cell that contains the drop down box. To see the list of text which can entered into these cells: left click the cell and then left click the button located in the lower right corner of the cell. A drop down list will appear. Choose one of the items on the list by placing your cursor over it and then clicking the left mouse button.</p>	
Cell (Column Row)	Detailed Instructions
D8	Choose a fiscal year from the drop down box choices. Fiscal year 7/1/02-6/30/03 is the choice for the cost report due to DHS on 11/1/03.
D9	Enter the number of Medi-Cal encounters. Some <u>LGA</u> s use the TCM On-line System report named Report - Summary LGA # as a source document for the numbers on the this worksheet. (See Example 1 below). Your MAA/TCM Coordinator can provide you with a copy of this report. To ensure the report is accurate and up to date, confirm that all encounters for the prior fiscal year have been entered into the system and invoiced with DHS. The number of Medi-Cal encounters in our example below is 48.

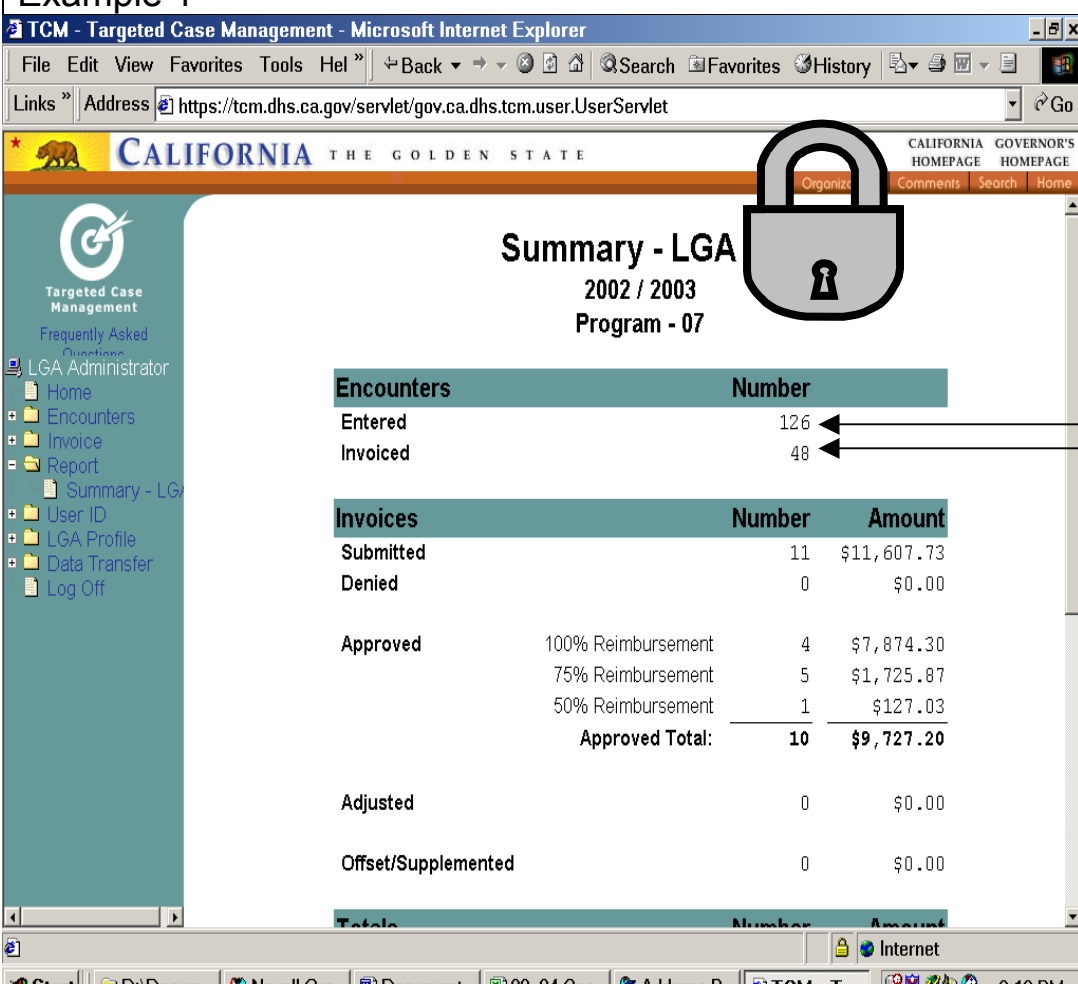
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D10	<p>Enter the number of non-Medi-Cal encounters into this cell.</p> <p>If your <u>LGA</u> puts all TCM encounters into the TCM System, then the number can be calculated from the report mentioned above. The calculated number of non Medi-Cal encounters in our example below is = $126-48=78$</p> <p>If your <u>LGA</u> doesn't put all the TCM encounters into the TCM system, another system of keeping this count will need to be maintained.</p>
D11	This cell contains a formula, which simply add cells D9 and D10 together.
D17	The cell contains a formula, which is equal to the result entered in cell D9.
B18	This cell contains a drop down box. Choose "Increase" if you project the number of Medi-Cal encounters to increase in the current fiscal year. Choose "Decrease" if you project the number of Medi-Cal encounters to decrease in the current fiscal year. If your County projects no change from the previous year, choose either "Increase or Decrease" and leave the percentage in cell D18 equal to zero (0%).
D18	This cell will allow you to enter a percentage Always enter a positive number. To enter 10% type 10 in the cell, to enter 10.5% type 10.5. The percentage is rounded to 2 places past the decimal. The number 9.99 will display as 9.99% but the number 9.999 will display as 10%. Rules of rounding are: anything less than 5 is rounded down and any thing 5 or greater is rounded up.
A19-A21	These three cells are for comments, which would describe the source document(s) used, the calculations made, and the justification for the number of encounters projected.

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D22	This cell contains a formula to calculate Projected Medi-Cal Only TCM encounters for the current year. It is linked to Worksheet A, line 21.
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Example 1



Summary - LGA 2002 / 2003 Program - 07

Encounters	Number
Entered	126
Invoiced	48

Invoices	Number	Amount
Submitted	11	\$11,607.73
Denied	0	\$0.00
Approved		
100% Reimbursement	4	\$7,874.30
75% Reimbursement	5	\$1,725.87
50% Reimbursement	1	\$127.03
Approved Total:	10	\$9,727.20
Adjusted	0	\$0.00
Offset/Supplemented	0	\$0.00

Worksheet A

TCM RATE CALCULATION WORKSHEET

Overview: The purpose of this worksheet is to provide a summary of the information of the Program's reported TCM and non-TCM costs for the reporting period to calculate the TCM per encounter rate for reimbursements in the current fiscal year. The worksheet also calculates the maximum reimbursement amount or "cap" before the prevailing Federal Medical Assistance Percentage (FMAP) is factored.

General Instructions: There are only four cells requiring data entry. The remainder of the worksheet must be reviewed for potential errors with formulas in the supporting worksheets and for comparing to the financial documents and other cost report Worksheets and supporting schedules.

Cell (Column Row)	Detailed Instructions
D1	Enter the LGA name as it appears on Provider Agreement with DHS.
D2	Enter the Program Name from the following TCM State Plan Amendment target population options: Public Health, Outpatient Clinics, Public Guardian/Conservator, Linkages; Adult Probation, Community.
F2	Enter the reporting period start date. For cost reports being prepared in 2003, this should be the prior fiscal year start date of July 1, 2002. If this is the first report prepared for the target population and the agency did not perform TCM services the prior year, the reporting period will be July 1, 2003.
H2	Enter the reporting period end date. For cost reports being prepared in 2003, this should be the prior fiscal year end date of June 30, 2003. If this is the first report prepared for the target population and the agency did not perform TCM services the prior year, the reporting period will be June 30, 2004.
The prior cells are linked to the remaining Worksheets and Schedules in the cost report workbook. The same information must also be included on any additional supporting schedules used for the report.	
The following two cells must be correct or the report will not be accepted by DHS:	
F15	This must be zero or an error message will appear in I15 preventing an amount to be displayed.
I15	This must be equal to the general ledger or supporting fiscal document and represents the entire costs of the budget unit. If it does not match, a supporting schedule must be included with the cost report that details how this number ties back to the general ledger or supporting fiscal document.

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The remaining cells receive their data from the rest of the cost report workbook.	
Line 1	LGA-TCM Class Costs Costs begin with payroll and operating costs of staff assigned to the TCM classification and end in Column 7 with the Net costs assignable to TCM.
Line 2	Contractor TCM Costs (Non-Specific) If contracts for TCM services do not specify the amount to be paid for TCM services, the costs associated with these contracts should be reported as "non-specific" contracts. The contractor staff are required to time survey and total contract costs in column 2 will be reclassified in column 4 to arrive at the actual TCM costs in column 7.
Line 3	Contractor TCM Costs (Specific) If contracts for TCM services specifically identify the amount to be paid for TCM services, the costs associated with these contracts should be reported as "specific" contracts. If the contract includes both TCM and non-TCM services, the total contract costs will be entered in column 2 and non-TCM costs will be reclassified in column 4 to arrive at actual TCM costs in column 7.
Line 4	Total TCM Costs This is a subtotal of lines 1, 2 and 3.
Line 5	Non-TCM Costs Costs begin with payroll and operating costs of staff not assigned to the TCM classification to arrive in Column 7 with the Net costs not assignable to TCM.
Line 6	Overhead (Administrative & Facility Costs) These costs support all functional areas of the organization. Costs begin with payroll and operating costs of all Administrative staff not assigned to the TCM classification in Column 1 and the result in Column 7 is assigned proportionately between net TCM and net non-TCM costs.
Line 7	Total Costs This is a total of lines 4, 5 and 6.
Column 1 Heading: Salaries & Employee Benefits	
C9	Line 1. The cell links the data from the <u>Salaries</u> worksheet cell I39 for Total LGA-TCM Classes of Costs of Salary and Employee Benefits.
C10	Line 2 is not used.
C11	Line 3 is not used.
C12	Line 4. The formula sums C9, C10 and C11 for Total TCM Classes of Costs of Salary and Employee Benefits.
C13	Line 5. The cell links the data from the <u>Salaries</u> worksheet cell J39 for Non-TCM Classes of Costs of Salary and Employee Benefits.
C14	Line 6. The cell links the data from the <u>Salaries</u> worksheet cell K39 for Overhead Classes of Costs of Salary and Employee Benefits (Administrative & Facility Costs).

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C15	Line 7. The formula sums C12, C13 and C14 for Total Costs of Salary and Employee Benefits, as reported on the <u>Salaries</u> worksheet.
Column 2 Heading: All Other Operating and Contractor Costs	
D9	Line 1. The cell links the data from the <u>Salaries</u> worksheet cell L39 for Total of Operating Costs assigned to TCM Classes.
D10	Line 2. The cell links the data from the <u>Contractors</u> worksheet cell C37 for Total Contractor TCM Costs - Non Specific.
D11	Line 3. The cell links the data from <u>Contractors</u> worksheet cell C18 for Total Contractor TCM Costs - Specific.
D12	Line 4. The formula sums D9, D10 and D11 for Total of All Other TCM Costs.
D13	Line 5. The cell links the data from the <u>Salaries</u> worksheet cell M39 for Total of Operating Costs assigned to Non-TCM Classes.
D14	Line 6. The cell links the data from the <u>Salaries</u> worksheet cell K39 for Total of Operating Costs assigned to Administrative Classes.
D15	Line 7. The formula sums D12, D13 and D14 for Total of All Other Costs, as reported on the <u>Salaries</u> and <u>Contractors</u> worksheets.
Column 3 Heading: Subtotal	
E9 to E15	Lines 1 to 7 (Totals of Columns 1 and 2). The formulas sum columns C and D for a subtotal of costs reported on the <u>Salaries</u> and <u>Contractors</u> worksheets.
Column 4 Heading: Worksheet C Reclass of Non-TCM Survey Cost	
F9	Line 1. The cell links the data from <u>Worksheet C</u> cell E12 for Reclassification of Total TCM Costs.
F10	Line 2. The cell links the data from <u>Worksheet C</u> cell E14 for Reclassification of Contractor TCM Costs - Non Specific.
F11	Line 3. The cell links the data from <u>Worksheet C</u> cell E16 for Reclassification of Contractor TCM Costs – Specific.
F12	Line 4. The formula sums F9, F10 and F11 for Total of <u>Worksheet C</u> Reclassification of TCM Costs.
F13	Line 5. The cell links the data from <u>Worksheet C</u> cell E21 for Reclassification of Non-TCM Costs.
F14	Line 6. The cell links the data from <u>Worksheet C</u> cell E24 for Reclassification of Overhead (Administrative & Facility Costs).
F15	Line 7. The formula sums F12, F13 and F14 and must be zero or cell I15 will display an error message stating, "ERROR F15 isn't Zero." If not zero, there is an error in <u>Worksheet C</u> or the <u>Salaries</u> worksheet. The error is often caused by time survey results not being entered correctly in <u>Salaries</u> worksheet Schedule 2A to sum to an even 100%. Rounding less than one dollar has been accommodated in this version of the cost report.
Column 5 Heading: Subtotal	

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G9 to G15	Lines 1 to 7 (Totals of Columns 3 and 4). The formulas sum columns E and F for a subtotal of reclassified costs.
Column 6 Heading: Worksheet D Adjustment Increase (Decrease)	
H9	Line 1. The cell links the data from <u>Worksheet D</u> cell C31 for Adjustment of Total TCM Costs.
H10	Line 2. The cell links the data from <u>Worksheet D</u> cell D31 for Adjustment of Contractor TCM Costs - Non Specific
H11	Line 3. The cell links the data from <u>Worksheet D</u> cell E31 for Adjustment of Contractor TCM Costs - Specific.
H12	Line 4. The formula sums H9, H10 and H11 for Total Adjustment of Total TCM Costs
H13	Line 5. The cell links the data from <u>Worksheet D</u> cell F31 for Adjustment of Non-TCM Costs.
H14	Line 6. The cell links the data from <u>Worksheet D</u> cell G31 for Adjustment of Overhead (Administrative & Facility Costs).
H15	Line 7 (Sum of lines 4,5,6). The formula sums H12, H13 and H14 for Total of <u>Worksheet D</u> Adjustments.
Column 7 Heading: Net Expenses (Sum of columns 5 and 6)	
I9	Line 1. The formula sums G9 and H9 for Net Expenses of LGA TCM Costs.
I10	Line 2. The formula sums G10 and H10 for Net Expenses of Contractor TCM Costs - Non-Specific.
I11	Line 3. The formula sums G10 and H11 for Net Expenses of Contractor TCM Costs – Specific.
I12	Line 4. The formula sums I9, I10 and I11 for Net TCM Expenses to be used in the lower portion of this worksheet.
I13	Line 5. The formula sums G13 and H13 for Net Expenses of non-TCM Costs.
I14	Line 6. The formula sums G14 and H14 for Net Expenses of Overhead Costs.
I15	Line 7 (Sum of lines 4,5,6). The formula sums I12, I13 and I14 for Total Net Expenses. If cell F15 is not zero, an error message will appear stating, "ERROR F15 isn't Zero." This cell must be equal to the general ledger or supporting fiscal document and represents the entire costs of the budget unit. If it does not match, a supporting schedule must be included with the cost report that details how this number ties back to the general ledger or supporting fiscal document.
Return to column 1 for TCM Encounter Rate Calculation.	
C16	Line 8. The cell links the data from I12 for Total TCM Costs.
C17	Line 9. The cell links the data from I13 for Total Non-TCM Costs.
C18	Line 10. The formula sums C16 and C17 for Total Cost of All Services Excluding Overhead.

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C19	Line 11. The formula divides C16 by C18, rounded to ten decimals representing TCM cost divided by Total Costs excluding overhead to arrive at Percentage of TCM Cost.
C20	Line 12. The formula multiplies I14 by C19 representing Net Overhead Expenses multiplied by Percentage of TCM Cost to arrive at Overhead Applicable to TCM Service.
C21	Line 13. The formula sums C16 and C20 representing Total TCM Costs plus Overhead Applicable to TCM Service to arrive at Allowable Case Manager Cost.
C22	Line 14. The cell links the data from <u>Encounters</u> worksheet cell D11 for Total Reported TCM Encounters (Medi-Cal plus non Medi-Cal).
C23	Line 15. The formula divides C21 by C22 representing Allowable Case Manager Cost divided by Total Reported TCM Encounters (MC and non-MC) to arrive at Cost Per Encounter.
C24	Line 16. The cell links from C21, Total Allowable Case Manager Costs.
C25	Line 17. The cell links the data from <u>Worksheet C</u> cell E48 for Known TCM Cost Increases. This is a rarely used line, as the costs will usually be accounted for in the next year's cost report.
C26	Line 18. The cell links the data from Worksheet B cell E29 for Revenue Adjustments. This must be a negative number representing the amounts of TCM-related revenue supporting Line 16 TCM costs that must be offset.
C29	Line 19. The formula sums C24, C25 and C26 for Adjusted Allowable Case Managers Costs.
C31	Line 20. The formula divides C29 by C22, rounded to 2 decimals, to arrive at the Billable Rate per Encounter for the Current Year.
C32	Line 21. The cell links the data from <u>Encounters</u> worksheet cell D22 to represent Total Projected Medi-Cal Encounters for the Current Year.
C34	Line 22. The formula multiplies C31 by C32 to arrive at the maximum reimbursement limit (cap) before the Federal Medical Assistance Percentage (FMAP) is applied.
C38	Line 23. The cell and row do not print on the cost report, however, is a useful calculation to determine approximate maximum reimbursement for the cost report at an average FMAP of 50% for the federal portion of the costs. The formula multiplies C34 by 50%.

TCM Cost Report Helpful Hints

- Don't be overwhelmed by the cost report. There are lots of numbers, but most are driven by formulas. Concentrate on the input numbers and then step back to look at all numbers to see if they are reasonable.
- Don't start with Worksheet A, but rather with time study results or salaries. Worksheet A is a summary of Worksheets B, C, D and Schedules 1 & 2.
- Try running financial models on other variables to determine which options produce a rate that most accurately reflects the cost of providing TCM services.
- Remember that TCM supervisors (who are not themselves case managers) and TCM case manager support persons **cannot** be included on the TCM Class Costs line without time surveying..
- Consider your projected number of Medi-Cal encounters carefully. The projected number (on line 21) establishes a "cap" on the number of encounters you can bill during the fiscal year. If you exceed the cap, you will not be paid for encounters in excess of the cap. In projecting your Medi-Cal encounters remember there that is no penalty for over-projecting. The projection, however, must be reasonable and based on a clear methodology. Include any new units, new CBOs and new staff in your projection.
- On all attachments to Worksheets A-D and the Schedules, highlight key figures and note to which Worksheets or Schedules these figures transfer.
 - Consider a color-coding system. For example, all figures that transfer to Worksheet A are coded Yellow; all figures that transfer to B are coded Green, etc.
 - Mark the specific Worksheet or Schedule, Line # and Row number the figure transfers to.
- Follow the instructions carefully and be sure to send all required documents and attachments. Most SDHS requests for additional information are due to failure to follow the instructions and/or to include the attachments. This will delay approval of your TCM cost report(s).
- Number all documents you submit. Consider a page-numbering scheme that ties to the Worksheet numbers. For example, Worksheet A might be page A-1. All supporting documents to Worksheet A would be pages A-2, A-3, etc. Worksheets B-D and their

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supporting documents would be numbered similarly. Other documents you submit (such as your organizational chart and checklist) can be numbered E-1, F-1, etc.

- Include a table of contents that would list all your enclosures. This should indicate your numbering scheme and any color-coding scheme you are using.
- Note in your cover letter anything that may need highlighting or further explanation, such as a significant change in the number of encounters.
- Submit the TCM cost report(s) by the due date! TCM cost reports are due on November 1. An official Post Office postmark or a FedEx or UPS certification that the report(s) were sent on November 1 is acceptable.
- Start preparing your TCM cost report(s) early. If you have any questions, call the LGA MAA/TCM Consultant before you submit the report(s) to the SDHS.
- Be consistent with the application of time survey results and revenue offsets. For example, if time survey results say that the Public Guardian unit worked 40% on TCM, you would not put 40% of the unit's costs on the TCM Class Costs line of the TCM cost report; you would put 100%. The TCM cost report reclassification schedule will automatically assign 40% of reported costs to TCM. If you only put 40% of costs, only 16% (40% of 40%) will be assigned to TCM in the final cost report, which will reduce your TCM rate.
- If you offset categorical revenue that supports TCM, be sure to also offset the corresponding categorical program encounters (See PPL No. 96-005).

Let's make the TCM cost report as easy for the State to review as possible. It will make both their job and your job easier.

Combining Multiple Cost Reports to Add Contractors into One Cost Report

The TCM cost report methodology allows only one TCM encounter rate per State Plan Amendment (SPA), or program area, per LGA. A separate TCM cost report is prepared for each SPA for each LGA.

When LGA-operated programs and a contractor, or multiple contractors, are included in the same TCM Program cost report, then the costs and encounters of all claiming entities must be combined (included) in the same report.

The costs of the individual claiming entities (the LGA and the contractors) may differ. In most cases the costs of providing TCM services for an LGA are higher than that of a contractor. When these costs are combined, the overall TCM encounter rate may be lower than if the LGA did not include the contractor(s).

The 2003 TCM cost report provides two options for the incorporation of contractors.

Option One: One Contractor for the TCM Program. If there is only one contractor for the TCM Program, complete one TCM cost report following the regular instructions.

Option Two: Multiple contractors within one TCM Program : This option was designed to be used when the LGA contract does not specify the amount to be reimbursed for each paid TCM encounter.

To exercise Option Two, the LGA and the contractor must determine the amount to be reimbursed per paid TCM encounter and the number of TCM encounters the contractor will provide. The most common method for determining the rate per encounter is for the contractor to conduct a TCM time survey (including time spent on the provision of TCM services to both Medi-Cal and non-Medi-Cal clients) and complete its own TCM cost report according to the TCM cost report Instructions. If this is the first year of participation for the contractor, see the instructions for first year of participation in TCM.

The Table below indicates where data from the contractor's TCM cost report is to be entered on the LGA's TCM cost report. This methodology can be used when the TCM Cost Report is to include LGA program costs and contractor program costs. It can also be used when a TCM Cost Report includes multiple contractors.

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Contractor TCM Cost Report	LGA TCM Cost Report
Worksheet A Line 7, column 7 amount, Total Net Expenses	Enter each contractor into the non-specific section of Contractor Worksheet column C, Total Cost Per Analysis.
Worksheet A Line 19 amount, Adjusted Allowable Case Managers Costs	Enter each contractor into the non-specific section of Contractor Worksheet column D, TCM Cost Per Analysis.
Encounters worksheet Total Reported TCM Medi-Cal Only Encounters (From Prior Year Encounter Logs)	Add to the Encounters worksheet in cell D9 and list each contractor's amounts in blue comment area
Encounters worksheet Total Reported TCM non Medi-Cal Encounters (From Prior Year Encounter Logs)	Add to the Encounters worksheet in cell D10 and list each contractor's amounts in blue comment area
Encounters worksheet Total Projected Medi-Cal Only TCM Cal Encounters for the Current Year	Confirm that the Encounters worksheet total Projected Medi-Cal Encounters in cell D22 accounts for all contractors.

NOTE: The LGA must determine reimbursement procedures for the contractor. One option: Reimbursement for paid encounters for the contractor can be based on the Billable Rate per Encounter, Line 20, on the contractor's TCM cost report, factored by the FMAP, less administrative fees charged by the LGA.

First Year of Participation in TCM

The TCM cost report is based on the prior year's TCM costs, the prior year's TCM encounters, and the current year's TCM time survey. When TCM was initiated in 1994, no one had prior year's data. Procedures have been developed to accommodate the entry of new programs into the TCM system.

It is assumed that the new program began maintaining TCM Encounter Logs during the current year.

Programs initiating participation in TCM must determine the following.

1. The methodology for determining the costs to be included on Lines 1-6 of Worksheet A.
2. The methodology for determining the number of TCM encounters to include on Line 14 of Worksheet A.

Programs in operation during the prior year but not participating in TCM

An example of this type of program would be a Public Guardian program. This program was in operation during the prior year. It is assumed that deputies were employed and that they performed case management functions even though TCM was not being claimed.

1. Prior year's costs: As the program was in operation, prior year's program costs can be used. The time survey results are applied to costs of persons who would have been involved in TCM if the program had been participating in the prior year. This can be done on a person-to-person basis or on an aggregate basis. Costs are assigned to Lines 1-6 on Worksheet A per the TCM cost report instructions.
2. Prior year's TCM encounters: The number of encounters (Medi-Cal and non-Medi-Cal) on the current year's TCM Encounter Logs are annualized to determine the number to include on Line 14 of Worksheet A.

Example: TCM Encounter Logs are maintained beginning on July 1. The total number of encounters for July through September (three months) is multiplied by four to determine the annual number.

Programs not in operation during the prior year

An example of this type of program would be a new Linkages program. This program did not exist during the prior year.

1. Prior year's costs: As the program did not exist during the prior year, the established program budget for the current year can be used. The time survey results are applied to the costs of persons who are involved in TCM. Costs are assigned to Lines 1-6 on Worksheet A per the TCM cost report instructions.
2. Prior year's TCM encounters: The number of encounters (Medi-Cal and non-Medi-Cal) on the current year's TCM Encounter Logs are annualized to determine the number to include on Line 14 of Worksheet A.

Example: TCM Encounter Logs are maintained beginning on July 1. The total number of encounters for July through September (three months) is multiplied by four to determine the annual number.

TCM Cost Report Checklist

Overview: The purpose of this checklist is to ensure that counties are submitting a complete and accurate cost report as required by DHS.

General Instructions: Carefully read and verify that all of the information requested in this checklist is contained in the cost report package and formatted in the way specified. Check off the items contained within your package, write “N/A” where not applicable to your program, and sign and date where required.

Targeted Case Management (TCM) Cost Report Checklist
For Fiscal Year (FY) 2003/2004

Each Local Governmental Agency (LGA) participating in the TCM program is required to submit to the Department of Health Services (DHS) a cost report identifying the prior year costs of providing TCM services. To facilitate the DHS review of the TCM cost report, please note that the following information must be included with each TCM cost report.

_____ LGA

_____ Program Name/Target Population

Check each box as appropriate:		
General TCM Cost Reporting Requirements	<input type="checkbox"/> TCM 2003 Cost Report Instructions	The TCM 2003 Cost Report Instructions are used.
	<input type="checkbox"/> 2003 DHS-required Cost Report Template	The 2003 DHS-required Cost Report Template (Excel) is used.
	<input type="checkbox"/> County/City	The LGA is accurately identified in the header of the certification statement, on each worksheet, and on each supporting

References

Overview: The purpose of this worksheet is to assist counties by providing hyperlinks to material which will help them understand and complete the cost reports.

General Instructions: Click on the link or type in the web address provided to access the site where the preparer can read, download, or print the material.

With the exception of the OMB Circular link, all of these links can be found on the DHS web site: [http://www.dhs.ca.gov/mcs/mcpd/MBB/ACSS/Cost Report Reference for 2003.htm](http://www.dhs.ca.gov/mcs/mcpd/MBB/ACSS/Cost%20Report%20Reference%20for%202003.htm)

Cell (Column Row)	Detailed Instructions
A5	Links to the TCM 2003-2004 Cost Report Instructions on the TCM website to assist the preparer in understanding and completing the cost report(s).
A5	Links to a TCM 2003-2004 Time Survey Template web page on the TCM website where the preparer can download Excel templates for 30, 60, or 200 staff, depending on staff size.
A5	Links to the 2003 DHS-required Cost Report Template on the TCM website to assist the preparer in completing the cost report(s) or if the electronic version is lost.
A5	Links to the TCM Provider Manual, Section 4 on the TCM website to assist the preparer in understanding and completing the cost report(s).
A5	Links to the 2003 TCM Cost Report Checklist that must be completed, signed, and submitted with every TCM Cost Report.
A5	Links to the 2003 TCM Cost Report Certification Statement that must be completed, signed, and submitted with every TCM Cost Report.
A5	Links to 2003 TCM Cost Report Training Presentation (Power Point).
A5	Links to PPL 03-010.
I23	Links to the Office of Management and Budget (OMB) Circular A-87 on the OMB website to assist the preparer in understanding OMB A-87 and which allowable direct and indirect costs of providing TCM services must be reflected when completing the cost report(s).
I25	Links to the DHS TCM Website.